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SUBJECT: ST LUCIA CORRUPTION CASE AGAINST FREDERICK HEADS  
TO COURT

Classified By: CDA D. Brent Hardt for reasons 1.4 (b and d).

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SUMMARY  
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¶1. (SBU) The long-running saga of the Minister Richard Frederick's corruption case appears headed towards a final resolution. Frederick lost his action for dismissal of charges against him relating to evasion of taxes for the importation of a vehicle, and the case is finally headed to trial. If Frederick loses in court, and is convicted of criminal tax evasion, he will be forced to resign. End Summary

¶2. (C) Five years ago, St. Lucian Housing Minister Richard Frederick imported two cars, worth USD 70,000, from Florida duty-free. The Comptroller of Customs, Terrence Leonard, objected to the duty-free status of the cars and charged Minister Frederick with criminal tax evasion. He had the Minister detained and questioned over one year ago, but did not file criminal charges at that time. Ever since then the two have been engaging in a long-running legal and public relations battle. Leonard maintains that the Minister knowingly evaded paying proper customs duty on the vehicles. The Minister disputes the claim, maintaining that he was entitled to the duty-free importation by virtue of his status as a member of government, and arguing that too long a time has passed since he imported the cars, so the case against him should be dismissed. The Customs comptroller has complained ever since then that he has been blocked in pursuing charges against Frederick by the Attorney General and others in the government allied with the Minister. Frederick is very popular among the poorer elements of Castries, but is widely seen as corrupt, and some also claim that he is allied with narco-traffickers.

¶3. (C) In the most recent court battle, Minister Frederick filed two suits against the government. The first suit sought to have the customs case dismissed, charging that it was without merit and had been instigated to embarrass him politically. He also sought damages of USD 448,000 in compensation for loss of use, return of the vehicles and for wrongful arrest in the customs investigation. The court ruled against Frederick in the attempt to have the customs case dismissed and ruled against him in refusing to enter damages against him for wrongful arrest. This ruling now opens the way for the Customs Comptroller to formally charge him with criminal evasion of customs duty. Poloff spoke with Leonard, who was very pleased that he would finally get his day in court. He noted that Frederick has filed an emergency appeal, but is confident Frederick will lose the appeal and the case will proceed to trial, probably early in January.

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COMMENT

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¶4. (C) The Frederick case has been at the center of St. Lucian politics for a number of years. In addition to the customs case and possible narcotics ties, several American investors claim that he illegally expropriated land holdings. They have appealed the decision to the Prime Minister. Minister Frederick is politically well connected, however, and is closely allied with Rufus Bousquet's faction of the ruling party. In person, Frederick can be charming and gregarious, but also comes across as self serving and duplicitous. The Customs Comptroller has a well deserved reputation for being both the most honest government official in St. Lucia and for being as stubborn as a pitbull. Despite the wishes of many that this case would go away, he clearly has persevered in not letting the matter rest. If Frederick is convicted, it will remove one major source of opposition to Prime Minister King within the cabinet, allowing the PM to consolidate his shaky base of power. End comment.

HARDT